issues, and (vii) Create National Thrust Areas which could include Tourism, Power, Textiles and Agro-processing.

(c) and (d) The IC observed that as a result of their extensive investor interactions, many representations on policy/procedures or other impediments were resolved through reference to Government. The recommendations of the Commission, which are more broad in nature, have been taken up with the concerned administrative Ministries/ Departments. In February 2006, Government have also undertaken a major rationalization of the FDI policy and associated procedures to further improve the investment climate.

Amendment of Terms and Conditions for granting loan to farmers

4026. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal under active consideration of the Central Government to amend the terms and conditions of farmers loans for the benefits of the farmers particularly to save them from committing suicide;

(b) if so, the details thereof and by when it is expected to be introduced;

(c) whether the farmers shall be allowed to pay the instalment of the loan only after the sale of the crop and are in a position to make the payment of the loan; and

(d) whether the farmers shall be exempted to pay the instalment of the loan in case, if there is flood, hailstorm, drought or otherwise and the interest thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Government and Reserve Bank of India are continuously encouraging Commercial Banks to lend credit on liberal terms to farmers to ensure availability of easy credit to save them from any kind of hardship. Some of the measures taken are as under:—

(i) RBI has instructed banks not to insist on collateral or margin for loans upto Rs. 50,000/-.

(ii) IBA has instructed Banks to extend loans to farmers @ 9% p.a. for loans upto Rs. 50,000/-.

(iii) Government has given 20% interest subvention to farmers on their loans of Kharif & Rabi 2005-06.

(iv) It has been decided that Government will provide interest subvention to the Banks for providing agricultural loans at an interest rate of 7% p.a. upto loan of Rs. 3 lakhs.

(v) Banks have been asked to issue Kisan Credit Cards to all eligible borrowers.

(c) The normal repayment period for crop loans has been decided keeping in mind the crop production cycle which provides for repayment after the harvesting of crops

(d) As per existing guidelines the banks convert the short term crop loans of farmers affected by natural calamities into medium term loans. Further, RBI/NABARD/IBA have issued guidelines to all banks for providing debt relief to farmers in distress/arrears by restructuring/ rescheduling the dues of farmers. The affected farmers who have insured their crops are provided compensation under the Crop Insurance Scheme.

Extension of air travel facility on LTC to Government employees

4027. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether Central Government are favourably considering to extend the air travel facility on the LTC to the Central Government employees;

(b) whether Government are also favourably considering the rail/bus travel facility to the retired Central Government employees, after 8 years of the date of retirement of an individual; and

(c) if so, by when a favourable decision is expected to be taken in favour of the retired Government employees and what terms and conditions are expected therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Central Government employees have been permitted to avail LTC by air subject to laid down conditions, *vide* Order dated 24.04.2006.

(b) and (c) No such proposal is under consideration.